

CHAPMAN AND CUTLER LLP

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080
Telephone (312) 845-3000
Facsimile (312) 701-2361
chapman.com

San Francisco
595 Market Street
San Francisco, CA 94105
(415) 541-0500

Salt Lake City
201 South Main Street
Salt Lake City, UT 84111
(801) 533-0066

August 16, 2006

RECORDATION NO.

26496-15
FILED

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

AUG 10 '06

9-26 AM

SURFACE TRANSPORTATION BOARD

Re: The Kansas City Southern Railway Company
Leveraged Lease Financing

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two original copies of the Memorandum of Lease Assignment (KCSR 2006-1), dated August 11, 2006, among Wells Fargo Bank Northwest, National Association, as indenture trustee (the "Indenture Trustee" or the "Assignee"), and the KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee (the "Owner Trustee" or the "Assignor"), a secondary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Equipment Lease Agreement (KCSR 2006-1), dated August 11, 2006, between the KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee, as Lessor, and The Kansas City Southern Railway Company, as Lessee, which is being submitted for recording concurrently therewith.

The names and addresses of the parties to the enclosed document are as follows:

Indenture Trustee and Assignee:	Wells Fargo Bank Northwest, National Association 299 South Main Street, 12th Floor MAC: U1228-120 Salt Lake City Utah 84111 Attention: Corporate Trust Department
------------------------------------	---

Owner Trustee and Assignor:	Wilmington Trust Company Rodney Square North 1100 North Market Street
--------------------------------	---

Law Offices of
CHAPMAN AND CUTLER LLP

Wilmington, Delaware 19890-0001
Attention: Corporate Trust Administration

The equipment covered as of the date hereof by the aforesaid Memorandum of Lease Assignment consists of 30 SD70ACe Locomotives bearing the reporting marks within the series KCS 4000 through KCS 4029 and 3 SD70ACe Locomotives bearing the reporting marks within the series GM 71 through GM 73, inclusive or KCS 3997 through KCS 3999, inclusive; all as specifically described in Exhibit A attached hereto.

A short summary of the document to appear in the index follows:

Memorandum of Lease Assignment (KCSR 2006-1) among Wells Fargo Bank Northwest, National Association, as Indenture Trustee and the KCSR Trust 2006-1 acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee.

A fee of thirty-four dollars (\$34.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Robert Alvord, Esq.
Alvord and Alvord
1050 Seventeenth Street, N.W.
Suite 301
Washington, D.C. 20036

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-2991).

Sincerely,

CHAPMAN AND CUTLER LLP

By Michael D. Robson
Michael D. Robson

Enclosures

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	REPORTING MARKS
SD70ACe Locomotives	30	KCS 4000 through KCS 4029, inclusive
SD70ACe Locomotives	3	GM 71 through GM 73, inclusive to become KCS 3997 through KCS 3999, inclusive

JUN 10 06

9-26 AM

**MEMORANDUM OF LEASE ASSIGNMENT
(KCSR 2006-1)**

SURFACE TRANSPORTATION BOARD

Memorandum of Lease Assignment (KCSR 2006-1), made and entered into August 11, 2006, by and between the KCSR Trust 2006-1 (the "*Trust*"), acting through Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, but solely as Owner Trustee ("*Owner Trustee*"), and Wells Fargo Bank Northwest, National Association, a national banking association, as Indenture Trustee ("*Indenture Trustee*").

WITNESSETH:

1. The Trust and The Kansas City Southern Railway Company ("*Lessee*") have entered into an Equipment Lease Agreement (KCSR 2006-1), dated as of August 2, 2006, and Lease Supplement No. 1 thereto, dated August 11, 2006, covering certain railroad equipment bearing reporting marks as listed on Exhibit A attached hereto.

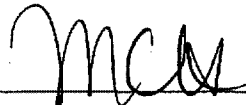
2. Memoranda of said Equipment Lease Agreement and of said Lease Supplement No. 1 were recorded with the Surface Transportation Board on August __, 2006 at _____.m. and _____.m., respectively, under recordation numbers ____ and ____, respectively, pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Trust Indenture and Security Agreement (KCSR 2006-1), dated as of August 2, 2006, and Trust Indenture Supplement No. 1 thereto, dated August 11, 2006, pursuant to which the Trust has assigned the aforesaid Equipment Lease Agreement, the aforesaid Lease Supplement No. 1, and the rents and other proceeds therefrom (with certain exceptions) to Wells Fargo Bank Northwest, National Association, as Indenture Trustee.

4. Memoranda of said Trust Indenture and Security Agreement and of said Trust Indenture Supplement No. 1 were recorded with the Surface Transportation Board on August __, 2006 at _____.m. and _____.m., respectively, under recordation numbers ____ and ____, respectively, pursuant to Section 11301 of Title 49 of the United States Code.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Lease Assignment to be duly executed by their respective officers duly authorized on the date and year first above written.

KCSR TRUST 2006-1, acting through
WILMINGTON TRUST COMPANY, not in its
individual capacity, but solely as Owner
Trustee

By 
Name: **Michele C. Harra**
Title: **Financial Services Officer**
Executed on this 8th day of August, 2006.

WELLS FARGO BANK NORTHWEST, NATIONAL
ASSOCIATION

By _____
Name: **Brett R. King**
Title: **Vice President**
Executed on this ____ day of August, 2006.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Lease Assignment to be duly executed by their respective officers duly authorized on the date and year first above written.

KCSR TRUST 2006-1, acting through
WILMINGTON TRUST COMPANY, not in its
individual capacity, but solely as Owner
Trustee

By _____
Name:
Title:

Executed on this ____ day of August, 2006.

WELLS FARGO BANK NORTHWEST, NATIONAL
ASSOCIATION

By Val T. Orton
Name: Val T. Orton
Title: Vice President

Executed on this 8th day of August, 2006.

STATE OF DELAWARE)
) SS.:
COUNTY OF NEW CASTLE)

On this, the 8th day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared Michele C. Harra, who being by me duly sworn, says that (s)he is the Financial Services Officer of WILMINGTON TRUST COMPANY, that said instrument was signed on August 8th, 2006 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Amanda E. Gamble
Amanda E. Burger
Name: Amanda E. Gamble
Notary Public Amanda E. Burger
My Commission Expires: Notary Public - State of Delaware
Residing in My Comm. Expires March 7, 2007

STATE OF UTAH)
) SS.:
COUNTY OF SALT LAKE)

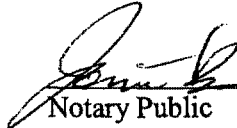
On this, the ____ day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared Brett R. King, who being by me duly sworn, says that he is the Vice President of WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, that said instrument was signed on August ____, 2006 on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

STATE OF UTAH)
):ss
COUNTY OF SALT LAKE)

On the 8th day of July, 2006, personally appeared before me Val T. Orton who being by me duly sworn did say, for himself, that he the said Val T. Orton is the Vice President of Wells Fargo Bank Northwest, National Association and that the within and foregoing instrument was signed in behalf of said association by authority of a resolution of its Board of Directors, and said Val T. Orton duly acknowledged to me that said association executed the same.



Notary Public

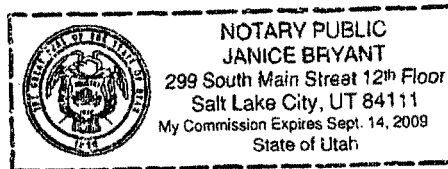


EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	REPORTING MARKS
SD70ACe Locomotives	30	KCS 4000 through KCS 4029, inclusive
SD70ACe Locomotives	3	GM 71 through GM 73, inclusive
		to become
		KCS 3997 through KCS 3999, inclusive

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 8/10/06



Robert W. Alvord